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SUBJECT: SERBIA: LABOR PROTESTS INCLUDE HUNGER STRIKES AND  
SELF-MUTILATION

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Summary  
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¶1. The desperate and radical acts of two workers' protests in Serbia drew considerable media attention in early May. A group of workers from the privately-owned Partizan Leather Company in central Serbia went on an 18-day hunger strike demanding back wages. The leader of the socially-owned Raska Textile Company in Southern Serbia cut off part of his finger and ate it in protest over the government's nonpayment of wages and benefits since 1993. Serbia's two largest trade unions did not call for or participate in these strikes, but lent moral support to the workers. The government, however, did not acquiesce to the radical protesters, but sent a message that it had neither the money nor the legal responsibility to pay the protesters back wages and benefits. Instead, the government mediated a temporary solution for Partizan workers and promised to find a solution for Raska protestors at a later date. With the number of failed privatizations rising there is a threat of more radical protests, especially given the growing impact of the global economic crisis. The government will soon need to find a way to balance addressing workers grievances with budgetary realities. End Summary.

18-Day Hunger Strike  
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¶2. On April 22, twelve workers of the Partizan Leather Company in the central Serbian city of Kragujevac began an 18-day hunger strike. The workers demanded that the company pay social and pension contributions in arrears since 2004. The Privatization Agency sold Partizan on the Belgrade Stock Exchange (BSE) in 2008 after a failed privatization attempt. Legally, the new owners of Partizan are not liable to pay past workers' wages and benefits or previously incurred company debt.

"We Will Eat Our Body Parts"  
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¶3. On April 24, Zoran Bulatovic, a worker at the 1,100 person socially-owned Raska Textile Company in the southern Serbian city of Novi Pazar, cut off part of his pinky finger and ate it in protest of unpaid wages and benefits. According to the media, Bulatovic said that since the workers "did not have anything to eat, they would eat parts of their own bodies." The workers demanded that the government pay wages and social and pension benefits in arrears since 1993. The protestors also asked that the ownership of Raska be transferred from the federal government to the city of Novi Pazar. Bulatovic threatened that he and fellow protestors would cut off their hands and send them to the government if their demands were not met. Labor and Social Policy Minister Rasim Ljajic urged protestors to stop cutting of their extremities and he promised to work with them to find a solution. At an April 27 meeting in Belgrade, Bulatovic met with representatives from the Ministry of Labor and Social Policy, Ministry of Economy and Regional Development, Privatization Agency, and the Tax Administration.

Bulatovic returned to join his fellow protestors who remain barricaded in the textile trade union office in Novi Pazar on a hunger strike, accepting only beverages and cigarettes.

#### Trade Union's Reactions

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¶4. Branislav Canak, president of Serbia's second largest and independent trade union Nezavisnost, told us that the Raska and Partizan protests were not organized through trade unions (Ref A). Canak condemned the radical protests, but said trade unions should take responsibility for not doing enough for Raska and Partizan workers. Canak conceded that the government had no legal obligation to help Partizan workers since the company was now private. At the May 7 Social Economic Council meeting, Canak suggested that trade unions publicly accept blame for the radicalization of the protests.

According to Canak, Serbia's largest trade union, the state-affiliated Confederation of Autonomous Trade Unions of Serbia (CATUS), refused to take the blame.

¶5. Head of the International Department for CATUS, Ivan Pavicevic, told us on May 15 that CATUS supported the protesting Partizan workers, but did not support Raska workers as CATUS "could not support every ongoing protest in Serbia." However, Pavicevic blamed the government for the lack of a "real social dialogue" with workers which lead to the radical protests that were not under trade unions' control.

#### The Government's Reaction

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¶6. On May 7, Deputy Prime Minister and Economy Minister Mladjan Dinkic said the government would not pay any past debt owed to

workers no matter how radical protests became, as there were no funds or legal framework to do so. Any exception to this decision would open the flood gates with requests from other companies. Minister Ljajic, however, quickly stepped in to mediate talks between Partizan and workers' representatives. The parties reached an agreement on May 9 in which Partizan would pay unpaid benefits and severance. Protestors ended their hunger strike on the same day. A Nezavisnost representative in Kragujevac told us the government quietly promised to compensate Partizan for the payment to workers with a favorable commercial loan, as it was the only way to resolve the conflict.

¶7. President of the European Movement branch in Novi Pazar Bisera Seceragic has been visiting Raska protestors daily. Seceragic told us on May 12 that negotiations between the government and Raska were ongoing, but that Bulatovic vowed to "cut the other four fingers of his left hand if their requests were not fulfilled." During a May 14 government session, the government set a deadline of May 22 to come up with a plan for Raska workers.

#### Also Making the News

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¶8. Two days of protest by employees of a recently-privatized state department store in front of the Government Building brought Belgrade traffic to almost a halt. Workers of Robne Kuce Beograd department stores blocked traffic on May 13 and 14, demanding additional severance pay from government (Ref B). The government replied in writing saying that there was no legal ground justifying an increased severance payment. Dragan Skakovski, a protestor, told us on May 15 that the workers would consult with lawyers as their next step, but would most likely not protest in the future since they received the government's decision. On May 14, trade unions from the state railway company announced they would strike on May 25 for additional money from the government for daily operations, severance payment, and modernization of the company.

#### More Protests to Come Soon

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¶9. In a May 5 press interview, the Privatization Agency's Executive Director Zora Illic said the Agency had cancelled 25 privatization contracts in the first quarter of 2009, compared to 66 for the whole of 2008. The 25 companies would likely be sold on the BSE like

Partizan and may suffer similar back salary disputes. Ilic said the Agency was under pressure as a result of the current protests. He feared more radical protests would occur due to the failed privatizations and the economic crisis. Buyers were requesting more flexible purchase terms because of the crisis and their subsequent liquidity problems. Minister Dinkic said Privatization Agency Director Vesna Dzinic resigned on May 13 due to the pressure the protests have put on her Agency.

Comment

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10. With roots that date back to the Milosevic era, the issue of unpaid wages and benefits is not a new one and will not be resolved in the short-term as the government does not have money to pay its debts to workers. The financial crisis only exacerbates this situation for both the government and workers. The increasingly radical nature of protests has prompted the government to take on the difficult task of finding ways to appease workers without actually paying them. In the case of socially-owned companies like Raska, there is still the opportunity to sell off the company and/or its land to pay workers. However, with now privately-held companies like Partizan, where the government sold the company without settling significant outstanding debts, there may be little recourse for workers. With divided and weak trade unions of little help, radical protests may be the only way disaffected workers' voices reach the government. End Comment.

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